

Objection Deadline: April 8, 2011 at 4:00 p.m. (Prevailing Eastern Time)
Hearing Date and Time: April 13, 2011 at 10:00 a.m. (Prevailing Eastern Time)

DAVIS POLK & WARDWELL LLP
450 Lexington Avenue
New York, New York 10017
Telephone: (212) 450-4000
Facsimile: (212) 701-5800
Marshall S. Huebner
James H.R. Windels
Brian M. Resnick
Christopher J. Roche

LINKLATERS LLP
1345 Avenue of the Americas
New York, New York 10105
Telephone: (212) 903-9000
Facsimile: (212) 903-9100
Martin Flics
Paul S. Hessler

Attorneys for the Joint Administrators of the UK Administration Companies

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In Re:	:	Chapter 11 Case No.
	:	
LEHMAN BROTHERS HOLDINGS INC., <i>et</i>	:	08-13555 (JMP)
<i>al.</i> ,	:	
	:	(Jointly Administered)
	:	
Debtors.	:	
	:	
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**RESPONSE OF THE JOINT ADMINISTRATORS OF THE UK
ADMINISTRATION COMPANIES TO THE DEBTORS' MOTION PURSUANT
TO SECTION 105 OF THE BANKRUPTCY CODE AND RULE 7026 OF THE
FEDERAL RULES OF BANKRUPTCY PROCEDURE FOR AUTHORIZATION
TO ESTABLISH AND IMPLEMENT PROCEDURES IN CONNECTION
WITH DISCOVERY RELATED TO PLAN CONFIRMATION**

TO: THE HONORABLE JAMES M. PECK
UNITED STATES BANKRUPTCY JUDGE:

Lehman Brothers International (Europe) (in administration) ("LBIE"), Lehman Brothers Limited, Lehman Brothers Holdings PLC, LB UK Re Holdings Limited, Storm Funding Limited, Mable Commercial Funding Limited, Lehman Brothers Europe Limited, Lehman Brothers UK Holdings Ltd, LB UK Financing Ltd, LB SF No. 1, Cherry Tree Mortgages Limited, Lehman Brothers Lease and Financing (No. 1) Limited, Zestdew Limited, Monaco NPL (No. 1) Limited, Lehman Commercial Mortgage Conduit Limited, LB RE Financing No. 3 Limited, Lehman Brothers (PTG) Limited, Eldon Street Holdings Limited, LB Holdings Intermediate 2 Limited, and Thayer Properties Limited (each in administration and together with LBIE, the "UK Administration Companies"), acting by and through their Joint Administrators¹ and their undersigned counsel, submit this response ("Response") to the Debtors' Motion Pursuant to Section 105 of the Bankruptcy Code and Rule 7026 of the Federal Rules of Bankruptcy Procedure for Authorization to Establish and Implement Procedures in Connection with Discovery Related to Plan Confirmation [No. 14867] ("Initial Protocols") and the Second Amended Proposed Order Establishing A Discovery Protocol and Extension of Time for Filing of Objections to Proposed Discovery Protocol [No. 15682] ("Amended Protocols" and, together with the Initial Protocols and as may be hereafter amended, the "Procedures Motion").

¹ At various times between September 15, 2008 and July 20, 2010, the UK Administration Companies entered English administration proceedings pursuant to the English Insolvency Act of 1986. By orders of the English High Court of Justice, Anthony Victor Lomas, Steven Anthony Pearson, Dan Yoram Schwarzmann, Michael John Andrew Jervis, and Derek Anthony Howell were appointed as the Joint Administrators of the UK Administration Companies.

1. The UK Administration Companies support the establishment and implementation of discovery procedures relating to plan confirmation in these cases. Since the filing of the Initial Motion, they have worked cooperatively and at length with the Debtors and numerous other creditors to identify and resolve disagreements and craft mutually satisfactory discovery procedures.

2. The Amended Protocols reflect a substantial narrowing of disputed issues. While a handful of issues remain unresolved, the UK Administration Companies hope and expect to continue to work with the Debtors and other creditors to resolve them prior to the April 13, 2011 hearing, a goal the UK Administration Companies understand the Debtors and other creditors share.

3. Because of the parties' willingness to find common ground where it exists, the Procedures Motion has been an iterative process and, to date, the Debtors have twice amended their Initial Protocols. As discussions continue—discussions between the UK Administration Companies and the Debtors and discussions between the Debtors and other interested parties—the proposed protocols are likely to continue to evolve. The UK Administration Companies thus file this response to reserve their rights to support, object, or otherwise respond to the Procedures Motion.

CONCLUSION

WHEREFORE, for the reasons set forth above, the UK Administration Companies reserve their rights with respect to the Debtors' Motion Pursuant to Section 105 of the Bankruptcy Code and Rule 7026 of the Federal Rules of Bankruptcy Procedure for Authorization to Establish and Implement Procedures in Connection with Discovery Related to Plan Confirmation.

Dated: New York, New York
April 8, 2011

DAVIS POLK & WARDWELL LLP

By: /s/ Marshall S. Huebner

Marshall S. Huebner
James H.R. Windels
Brian M. Resnick
Christopher J. Roche

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(212) 450-4000

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*Attorneys for the UK Administration
Companies*